

**REPORT REQUIRED BY STATE LAW**  
**FINANCIAL STATEMENTS**  
**MOTHERS AGAINST DRUNK DRIVING**  
**NP # 5312**

MOTHERS AGAINST DRUNK DRIVING

FINANCIAL STATEMENTS  
AND REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2013 AND 2012

MOTHERS AGAINST DRUNK DRIVING

DECEMBER 31, 2013 AND 2012

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## Report of Independent Certified Public Accountants

To the Board of Directors  
Mothers Against Drunk Driving

## Report on the Financial Statements

We have audited the accompanying financial statements of Mothers Against Drunk Driving ("MADD"), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

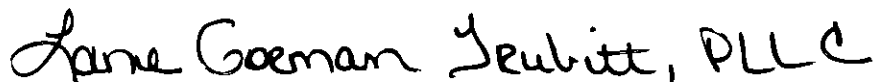
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MADD as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of MADD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MADD's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited MADD's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 31, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it is derived.



Dallas, Texas  
June 30, 2014

Mothers Against Drunk Driving  
STATEMENT OF FINANCIAL POSITION  
December 31, 2013  
(with comparative information as of December 31, 2012)

ASSETS		2013	2012
Cash and cash equivalents:			
Unrestricted	\$	7,524,027	\$ 9,824,278
Restricted		<u>292,392</u>	<u>399,990</u>
Total cash and cash equivalents		7,816,419	10,224,268
Certificates of deposit		12,375,003	11,354,698
Trade accounts receivable, net		506,702	247,912
Grants receivable		1,677,414	1,478,058
Contributions receivable, net		642,607	1,335,067
Prepaid expenses and other		563,454	633,401
Literature and supplies inventory		262,630	320,002
Property and equipment, net		<u>124,241</u>	<u>21,259</u>
Total assets	\$	<u>23,968,470</u>	<u>\$ 25,614,665</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$	13,867	\$ 19,327
Accrued liabilities		1,963,090	2,641,245
Deferred revenue		91,404	56,557
Deferred rent		<u>68,940</u>	<u>110,356</u>
Total liabilities		2,137,301	2,827,485
COMMITMENTS AND CONTINGENCIES			
NET ASSETS			
Unrestricted		20,856,201	21,114,266
Temporarily restricted		964,968	1,662,914
Permanently restricted		<u>10,000</u>	<u>10,000</u>
Total net assets		<u>21,831,169</u>	<u>22,787,180</u>
Total liabilities and net assets	\$	<u>23,968,470</u>	<u>\$ 25,614,665</u>

The accompanying notes are an integral part of these financial statements.

Mothers Against Drunk Driving  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
December 31, 2013  
(with summarized comparative information for the year ended December 31, 2012)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
REVENUES					
Contributions					
Individuals	\$ 12,254,712	\$ 6,750	\$ -	\$ 12,261,462	12,130,224
Corporations	2,549,516	160,883	-	2,710,399	3,989,554
Foundations	442,219	301,041	-	743,260	1,150,445
In-kind	2,481,101	-	-	2,481,101	3,507,952
Grants					
Government	8,565,550	-	-	8,565,550	8,751,666
Foundations	5,750	-	-	5,750	12,760
Special events	117,215	-	-	117,215	54,235
Cost of direct benefits to donors	(70,618)	-	-	(70,618)	(48,890)
Net special events	46,597	-	-	46,597	5,345
Other revenue					
Investment income	40,210	-	-	40,210	5,998
Victim impact panels	6,129,629	-	-	6,129,629	6,085,647
Licenses, promotions, and other	2,822,308	-	-	2,822,308	2,629,510
Total contributions, grants, special events, and other revenue	35,337,592	468,674	-	35,806,266	38,269,101
Net assets released from restrictions	1,166,620	(1,166,620)	-	-	-
Total revenues	36,504,212	(697,946)	-	35,806,266	38,269,101
EXPENSES					
Program services					
Campaign to Eliminate Drunk Driving	12,495,045	-	-	12,495,045	12,831,951
Victim Services	10,366,454	-	-	10,366,454	11,198,916
Underage Drinking	3,609,131	-	-	3,609,131	4,074,286
Total program services	26,470,630	-	-	26,470,630	28,105,153
Supporting services					
Management and general	3,810,813	-	-	3,810,813	3,200,709
Fundraising	6,323,466	-	-	6,323,466	5,445,279
Total supporting services	10,134,279	-	-	10,134,279	8,645,988
Total expenses	36,604,909	-	-	36,604,909	36,751,141
CHANGE IN NET ASSETS, BEFORE PROVISION FOR FEDERAL INCOME TAX					
	(100,697)	(697,946)	-	(798,643)	1,517,960
Provision for federal income tax	(157,368)	-	-	(157,368)	(174,152)
CHANGE IN NET ASSETS	(258,065)	(697,946)	-	(956,011)	1,343,808
NET ASSETS AT BEGINNING OF YEAR	21,114,266	1,662,914	10,000	22,787,180	21,443,372
NET ASSETS AT END OF YEAR	\$ 20,856,201	\$ 964,968	\$ 10,000	\$ 21,831,169	\$ 22,787,180

The accompanying notes are an integral part of these financial statements.

Mothers Against Drunk Driving  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended December 31, 2013  
(with summarized comparative information for the year ended December 31, 2012)

	Program services				Supporting services				
	Campaign to Eliminate Drunk Driving	Victim Services	Underage Drinking Prevention	Total	Fundraising	Management and general	Total	Total 2013	Total 2012
Salaries, benefits, and related taxes	\$ 5,091,962	\$ 6,847,317	\$ 1,871,318	\$13,810,597	\$ 2,277,447	\$ 2,884,394	\$ 5,161,841	\$ 18,972,438	\$ 17,514,566
Professional fees and outside contract services	1,305,285	437,976	366,523	2,109,784	1,644,659	245,675	1,890,334	4,000,118	3,927,840
Advertising expense	2,216,485	173,953	63,628	2,454,067	2,523	143	2,666	2,456,733	3,516,731
Occupancy	713,303	989,925	273,288	1,976,516	274,678	137,933	412,611	2,389,127	2,359,486
Printed program materials	616,956	184,169	285,219	1,086,343	656,774	446	657,220	1,743,564	1,920,145
Supplies	916,768	276,760	238,005	1,431,533	269,246	38,390	307,637	1,739,169	1,860,491
Office expense	380,285	597,203	159,950	1,137,437	108,809	161,709	270,518	1,407,955	1,416,561
Travel	442,839	544,399	212,961	1,200,199	86,712	67,250	153,962	1,354,161	1,687,267
Postage and shipping	554,155	97,237	46,330	697,722	623,834	9,876	633,710	1,331,432	1,400,634
Service fees	68,969	135,529	49,850	254,348	155,700	190,721	346,421	600,769	502,884
Data management	99,235	3,375	9,326	111,936	188,891	-	188,891	300,827	403,746
Insurance	48,687	49,189	17,940	115,816	25,608	63,833	89,442	205,258	142,514
Meetings and conference registration	14,716	7,052	6,500	28,269	2,732	7,033	9,764	38,033	51,690
Other expense	25,400	22,370	8,293	56,063	5,853	3,410	9,262	65,325	46,586
	<u>\$12,495,045</u>	<u>\$ 10,366,454</u>	<u>\$ 3,609,131</u>	<u>\$26,470,630</u>	<u>\$ 6,323,466</u>	<u>\$ 3,810,813</u>	<u>\$10,134,279</u>	<u>\$ 36,604,909</u>	<u>\$ 36,751,141</u>

The accompanying notes are an integral part of these financial statements.



Mothers Against Drunk Driving  
STATEMENT OF CASH FLOW  
Year Ended December 31, 2013  
(with comparative information for the year ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (956,011)	\$ 1,343,808
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Bad debt expense	4,568	35
Depreciation and amortization	37,344	44,438
Net realized and unrealized losses on investments	62,367	96,755
(Gain) loss on sale of property and equipment	1,200	(199)
Restricted cash	107,598	(399,990)
Contributions receivable, net	(263,358)	41,173
Grants receivable	(199,356)	544,932
Contributions receivable	692,460	(1,062,273)
Prepaid expenses and other	69,947	(97,500)
Literature and supplies inventory	57,372	36,786
Accounts payable	(5,460)	(8,714)
Accrued liabilities	(678,155)	512,044
Deferred revenue	34,847	22,623
Deferred rent	(41,416)	110,356
Net cash provided by (used in) operating activities	(1,076,053)	1,184,274
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	-	199
Purchases of property and equipment	(141,526)	(6,604)
Proceeds from sale and maturities of certificates of deposit	5,414,156	14,208,000
Purchases of certificates of deposit	(6,496,828)	(17,269,453)
Net cash used in investing activities	(1,224,198)	(3,067,858)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,300,251)	(1,883,584)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>9,824,278</u>	<u>11,707,862</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,524,027</u>	<u>\$ 9,824,278</u>
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ 157,368	\$ 174,152
Interest paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

## NATURE OF OPERATIONS

Mothers Against Drunk Driving (“MADD”) is a national not-for-profit organization whose mission is to stop drunk driving, support the victims of this violent crime, and prevent underage drinking.

MADD is a Washington, D.C. not-for-profit corporation. The 195 field locations (as of December 31, 2013) throughout the United States are integral parts of the corporation and have no separate legal status. Moreover, they function under the auspices of the MADD National Office, which in addition to directly administering various nationwide programs, provides organizational, technical, and other support services to these community-based groups.

Community programs consist of prevention and awareness programs and campaigns that are administered by the National Office and field locations to achieve the mission of MADD. These include programs to promote greater awareness about the problems of substance-impaired driving and underage drinking, programs to mobilize communities in eliminating these problems, support and advocacy services to drunk and drugged driving victims and their families, and other related programs. The following is a list of some of these programs, campaigns, and activities:

### Community Outreach, Public Awareness, and Public Policy

- |  |   |
|--|---|
| * <i>Campaign to Eliminate Drunk Driving</i> ® | * madd.org  |
| * Public Policy/Government Relations           | * Media Awards                                      |
| - Legislative Updates and Alerts               | * <i>Walk Like MADD</i> ®                           |
| - Victim Tributes                              | * MADD National Conference                          |
| - Advocacy                                     | * Public Service Announcements                      |
| - e-Newsletter                                 | * MADD Messenger newsletter                         |
| - Discussion Forum                             | * Media Communications/Press Events                 |
| - Statistics                                   | * Direct Mail Education/Awareness Programs          |
| * Law Enforcement Recognition Events           | * Telephone Education/Awareness Programs            |
| * Law Enforcement Support/Collaboration        | * General Educational materials & Brochures         |
| * Court Monitoring Program                     | * Volunteer Management: <i>Driven to Save Lives</i> |
| * <i>Tie One On for Safety</i> ®               |   |

### Underage Drinking Prevention

- |   |   |
|---|---|
| * <i>Power of Parents</i> ® Program   | * <i>MADD Youth in Action</i> ® for High School               |
| * <i>PowerTalk 21</i> ® day   | * Red Ribbon Week (alcohol education and awareness)           |
| * <i>Power of You(th)</i> ® program   | * <i>Protecting You/Protecting Me</i> ® Elementary Curriculum |
| * <i>Power of Community</i> ® program                                       |   |
| * Power of Parents <i>Start Making a Right Turn (SMART™)</i> parent program |   |
| * Power of You(th) <i>Start Making a Right Turn (SMART™)</i> teen program   |   |

### Victim Services

- |  |  |
|--|--|
| * Victim Assistance 24 Hour 877-MADD-HELP helpline | * Beginning and Advanced Victim Assistance Training Institutes |
| * Crisis Intervention for Victims                  | * Training of Allied Professionals                             |
| * Court Accompaniment                              | * Trauma Tips  |
| * Victim Assistance Support, Advocacy & Education  | * Crime Victim Rights Week                                     |
| * Victim Services How-to Manuals                   | * Victim Assistance Literature                                 |
| * Online Support Group                             | * <i>MADDvocate</i> ® Magazine                                 |
| * Child Endangerment Assistance                    | * <i>MADD Victim Impact Panels</i> ®                           |
| * Concerned Citizens Assistance                    | * Victim Photo Board Wall of Honor                             |
| * Death Notification Seminars                      | * Candlelight Victim/Survivor Tributes                         |
| * Victim Support Groups                            |  |
| * Victim Service Public Service Announcements      |  |

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

The accompanying financial statements include the accounts of the National Office and all field locations. Inter-location transactions and balances have been eliminated.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted net assets* – Net assets not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met by actions of MADD and/or the passage of time.

*Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by MADD. Generally, the donors of these assets permit MADD to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions of property and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, MADD reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services are recognized as revenue if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that would typically need to be purchased if not provided by donation. Gifts of long-lived assets are recognized at fair value at the date of gift. MADD does not imply a time restriction on such gifts.

Income and investment gains and losses are reported as follows:

- As increases (decreases) in permanently restricted net assets if the terms of the gift require they be included in principal of a permanent endowment fund;
- As increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- As increases (decreases) in unrestricted net assets in all other cases.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly-liquid investments purchased with an initial maturity of three months or less. MADD maintains its cash balances with high-credit-quality financial institutions located in various states, which at times may exceed federally insured limits. MADD monitors its risk under these arrangements and has not experienced any losses on such accounts.

Cash and securities maintained through a registered securities dealer are insured up to \$500,000 by the Securities Investor Protection Corporation ("SIPC"). SIPC covers losses from fraud and negligence of the registered securities dealer but not against market losses or investment return. Balances held in accounts may still at times exceed insured limits. MADD has not incurred any losses in these accounts, outside normal trading activities, and does not believe that they are exposed to any significant credit risk.

Cash and Cash Equivalents - Restricted

Amounts presented as restricted cash and cash equivalents at December 31, 2013 and 2012 represent amounts restricted by a granting agency. These funds are also required to be held in a separate bank account.

Certificates of Deposit

MADD's investments in certificates of deposit, with original maturities greater than three months, are carried at amortized cost. These investments do not qualify as securities as defined in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, *Investments – Debt and Equity Securities*, thus fair value disclosures required by ASC 820, *Fair Value Measurements and Disclosures*, are not provided. Net realized and unrealized gains (losses) are reflected in investment income in the statements of activities and changes in net assets.

Receivables

Grants receivable consist of amounts due from government agencies and represent amounts due to MADD in accordance with cost-reimbursement contracts. Trade accounts receivable are carried at the invoiced amount or the amount of reimbursable costs incurred, less an estimate made for doubtful receivables. Contributions receivable are primarily from organizations or individuals and are stated at the amount that management expects to collect from outstanding balances.

Government grant receivables are fully collectible. Trade accounts receivable and contributions receivable outstanding more than 90 days are considered past due. MADD determines its allowance for doubtful accounts based on past due amounts and other available information regarding the current status of individual accounts and current economic conditions. MADD writes off receivables when they become uncollectible. Recoveries of receivables previously written off are recorded when received. In the event of complete nonperformance, the maximum exposure to MADD is the outstanding receivable balance at the date of nonperformance.

Prepaid Expenses and Other

Prepaid expenses and other consist of deposits, prepaid rent, prepaid insurance, and other similar amounts that relate to future periods.

Literature and Supplies Inventory

Supplies of literature and other program-related materials are stated at the lower of cost or market, with cost being determined using the actual cost method.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

Donated property and equipment are recorded at fair value at date of receipt, and expenditures for property and equipment are stated at cost. MADD capitalizes those items in excess of \$5,000 which have a useful life greater than one year. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets ranging from three to seven years.

Leasehold improvements are amortized on a straight-line basis over the respective lease term or life of the improvement, whichever is shorter.

Advertising

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2013 and 2012 were \$2,456,733 and \$3,516,731, respectively.

Revenue Recognition

Revenue is recognized on conditional promises to give when the conditions are substantially met. Grant revenue is recognized as contract terms are fulfilled. Contributions and grants are considered to be available for unrestricted purposes unless restricted by the donor for specific purposes. Revenue from victim impact panels is recognized as the panels occur. Licenses, promotions, and other revenue are recognized when earned.

MADD has entered into royalty agreements with various third parties relating to use of the MADD name and brand. Revenue recognized under these royalty agreements is included in licenses, promotions, and other revenue in the accompanying statements of activities and changes in net assets.

Deferred Revenue

Deferred revenue for MADD primarily consists of advance payments from granting agencies.

Special Events

MADD conducts special fundraising events, including golf tournaments, runs, dinners, auctions, breakfasts, and bike rallies. However, only events where there is a registration or participation fee are included in special events revenue; contributions raised in conjunction with events are included as contribution revenue. The cost of the direct benefit to donors that the participant receives at such events is presented on the statements of activities and changes in net assets to result in net special events revenue. All other expenses related to special events are allocated to fundraising expense.

Joint Costs

As stated in the Financial Accounting Standards Board's Accounting Standards Codification topic 958 ("ASC 958"), *Not for Profit Entities*, costs included in conducting joint activities that are not identifiable with a particular component of the activity are allocated between fundraising and program services.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Lease Accounting

MADD determines whether to account for its leases as operating, capital, or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgment relating to certain information including the estimated fair value and remaining economic life of the leased assets, MADD's cost of funds, minimum lease payments, and other lease terms.

Income Taxes

MADD is exempt from federal income tax under 501(c)(3) of the United States Internal Revenue Code (the "Code"), except to the extent it has unrelated business income. MADD has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. For the years ended December 31, 2013 and 2012, MADD had net unrelated business income of approximately \$413,000 and \$495,000, respectively. Accordingly for the years ended December 31, 2013 and 2012, a provision for federal income tax has been provided in the accompanying statements of activities and changes in net assets and in accrued liabilities in the accompanying statements of financial position of approximately \$157,000 and \$174,000, respectively.

GAAP requires the evaluation of tax positions taken or expected to be taken in the course of preparing MADD's tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. A reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions, or settlements. MADD is relying on its tax-exempt status and its adherence to all applicable laws and regulations to preserve that status. However, the conclusions regarding accounting for uncertainty in income taxes will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analysis of tax laws, regulations, and interpretations thereof.

MADD recognizes interest and penalties, if any, related to uncertain tax positions as income tax expense. MADD's informational returns filed are generally subject to examination for three years after the later of the due date or date of filing. As a result, MADD is no longer subject to income tax examinations by tax authorities for years prior to fiscal year 2010.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassification had no effect on the change in net assets.

Comparative Totals

The financial statements and related footnotes include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with MADD's financial statements for the year ended December 30, 2012, from which the summarized information was derived.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**2. CERTIFICATES OF DEPOSIT**

MADD invests in certificates of deposit. Certificates of deposit are exposed to various risks, such as interest rate, overall market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect MADD's account balances and the amounts reported in the statement of financial position.

The following summarizes total investment income for the year ended December 31,:

	2013	2012
Interest income	\$ 166,066	\$ 102,753
Net realized and unrealized loss on investments	(62,367)	(96,755)
Premium/Discount on amortization	(63,489)	-
	<u>\$ 40,210</u>	<u>\$ 5,998</u>

Certificates of deposit at December 31, 2013 bear interest ranging from 0.30% to 3.65% and have maturities ranging from 2014 through 2018 with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**3. CONTRIBUTIONS RECEIVABLE**

Included in contributions receivable are the following unconditional promises to give at December 31,:

	2013	2012
Pledges and receivable from a charitable lead trust before unamortized discount	\$ 693,587	\$ 1,386,328
Less unamortized discount	(50,980)	(51,261)
Net unconditional promise to give	<u>\$ 642,607</u>	<u>\$ 1,335,067</u>

Contributions receivable are discounted using a rates ranging from .41% to 2.29%

Contributions receivable are expected to be collected in:

Less than one year	\$ 236,164
One to five years	165,440
Greater than five years	291,983
	<u>\$ 693,587</u>

MADD was the beneficiary of income from a charitable lead trust. The present value of the future cash receipts from the trust was approximately \$0 and \$5,000 as of December 31, 2013 and 2012, respectively, and is recorded in contributions receivable.

MADD is a beneficiary of a trust from which MADD is to receive over a period of 15 years, an amount each year equal to the value of the remaining income and principal of the trust fund divided by the number of years remaining in the term of the trust fund. The present value of future cash receipts from this trust fund was approximately \$404,000 and \$439,000 as of December 31, 2013 and 2012, respectively, and is recorded in contributions receivable.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31,:

	2013	2012
Furniture and fixtures	\$ 107,731	\$ 97,151
Office equipment	577,864	620,535
Copier equipment	81,088	6,604
Leasehold improvements	<u>339,020</u>	<u>339,020</u>
	1,105,703	1,063,310
Less accumulated depreciation and amortization	<u>(981,462)</u>	<u>(1,043,251)</u>
	124,241	20,059
Land	<u>-</u>	<u>1,200</u>
	<u>\$ 124,241</u>	<u>\$ 21,259</u>

**5. NET ASSETS**

Net assets consist of the following at December 31,:

	2013	2012
Unrestricted	\$ 20,856,201	\$ 21,114,266
Temporarily restricted:		
Specific future periods	525,092	494,744
Specific program and support activities	439,876	1,168,170
Permanently restricted:		
Endowment	<u>10,000</u>	<u>10,000</u>
	<u>\$ 21,831,169</u>	<u>\$ 22,787,180</u>

**6. NET ASSETS RELEASED FROM RESTRICTION**

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by passage of time or occurrence of events specified by the donor were as follows for the years ended December 31,:

	2013	2012
Fulfillment of use restrictions	\$ 1,126,967	\$ 979,561
Release of time restrictions	<u>39,653</u>	<u>9,466</u>
	<u>\$ 1,166,620</u>	<u>\$ 989,027</u>

**7. ALLOCATION OF JOINT COSTS**

Joint costs paid by MADD to outside firms for education materials and activities that included fundraising appeals have been allocated as follows for the years ended December 31,:

	2013	2012
Programs	\$ 1,231,594	\$ 2,401,598
Fundraising	<u>1,361,018</u>	<u>3,088,151</u>
	<u>\$ 2,592,612</u>	<u>\$ 5,489,749</u>

**8. EMPLOYEE BENEFIT PLANS**

A defined contribution retirement plan (the "DC Plan") covers all eligible employees of MADD who are at least 21 years of age, have completed one year of service, and have worked at least 1,000 hours. Employee contributions are not allowed under the DC Plan. Employees are fully vested after five years of service or, if hired prior to July 1989 are fully vested after three years of service. Employer contributions are discretionary and determined annually by MADD. There were no discretionary contributions for the years ended December 31, 2013 or 2012, and no future contributions are anticipated.



Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**8. EMPLOYEE BENEFIT PLANS (Continued)**

MADD allows eligible employees to contribute to a tax-deferred retirement plan (the “403(b) Plan”) which is subject to Sections 403 and 501 of the Code. All eligible employees may contribute to the 403(b) Plan any whole percentage of their eligible salary not to exceed the maximum allowed by the Code. The total value of the participant’s contribution is fully and immediately vested. MADD matches eligible employee contributions up to 3% of compensation. MADD’s contributions to the 403(b) Plan, which are included in salaries, benefits, and taxes on the statements of functional expenses, were \$170,711 and \$159,785 for the years ended December 31, 2013 and 2012, respectively.

**9. IN-KIND CONTRIBUTIONS AND DONATED PERSONAL SERVICES OR VOLUNTEERS**

MADD receives in-kind contributions consisting of donated materials and professional services. Contributed services are recorded if the service (a) creates or enhances nonfinancial assets or (b) requires specialized skills which would typically need to be purchased if not contributed. In-kind donations are included in total revenues and expenses in the accompanying statements of activities and changes in net assets at their estimated fair values for the years ended December 31,:

	2013	2012
Public service announcements	\$ 2,433,615	\$ 3,490,781
Supplies	16,942	15,846
Special event auction items, public service announcements, and supplies	<u>30,544</u>	<u>1,325</u>
	<u>\$ 2,481,101</u>	<u>\$ 3,507,952</u>

In-kind contributions benefit various functions and are allocated among those functions in the accompanying statements of functional expenses.

In addition, MADD receives services from a large number of volunteers who give significant amounts of their time to MADD for programs, fundraising campaigns, and management. The value of this contributed time is not reflected in the financial statements since it does not meet the criteria discussed above.

**10. LEASES**

The MADD National Office and certain field locations have non-cancelable operating lease agreements for office space at various locations that expire through March 2026. Management expects that, in the normal course of business, leases that expire will be renewed or replaced by other leases. MADD recognizes escalating lease payments on a straight-line basis over the term of each respective lease. Future annual minimum lease payments due under these leases are as follows for the years ended December 31,:

2014	\$ 1,315,657
2015	1,086,679
2016	823,484
2017	570,117
2018	467,759
Thereafter	<u>3,548,994</u>
	<u>\$ 7,812,690</u>

Rent expense, which is included in occupancy on the statement of functional expenses, totaled approximately \$1,832,000 and \$1,853,000 for the years ended December 31, 2013 and 2012, respectively.

MADD has contracted with a third party vendor to represent MADD in various real estate leasing transactions and to perform administrative functions related to those leases. The agreement has a term of three years with optional multi-year extensions.

Mothers Against Drunk Driving  
NOTES TO FINANCIAL STATEMENTS

**11. COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS**

MADD, in its normal course of business, is subject to various legal actions. Additionally, federal, state, and other grants are subject to periodic review and assessment by related federal, state, and other agencies. MADD believes the ultimate outcome of these matters will not have a material effect on MADD's financial position, results of operations, or cash flows.

At December 31, 2013 three donors comprise approximately 94% of contributions receivable. In addition, at December 31, 2013 two grantors comprise approximately 31% of grants receivable, and two entities comprise approximately 83% of trade accounts receivable.

At December 31, 2012 four donors compromised approximately 91% of contributions receivable. In addition, at December 31, 2012 one grantor compromised approximately 11% of grants receivable, and two entities compromised approximately 61% of trade accounts receivable.

MADD has entered into various sponsorships and licensing agreements with third parties relating to use of certain MADD service marks, trade names, and logos. The terms of the agreements range from one to five years. Certain third parties have also agreed to pay MADD a royalty for each item of merchandise bearing certain MADD service marks, trade names, and logos. Future minimum revenues due under these agreements are as follows for the years ended December 31:

2014	\$ 1,372,500
2015	735,000
2016	510,000
2017	397,500
2018	<u>263,125</u>
	<u>\$ 3,278,125</u>

**12. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 30, 2014, the date the financial statements were available to be issued.

**REPORT REQUIRED BY STATE LAW**  
**SINGLE AUDIT REPORT**  
**MOTHERS AGAINST DRUNK DRIVING**  
**NP # 5312**

MOTHERS AGAINST DRUNK DRIVING

SINGLE AUDIT REPORT

DECEMBER 31, 2013

MOTHERS AGAINST DRUNK DRIVING

DECEMBER 31, 2013

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Report of Independent Certified Public Accountants on Internal  
Control over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing  
Standards*

To the Board of Directors  
Mothers Against Drunk Driving

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mothers Against Drunk Driving ("MADD"), which comprise the statement of financial position as December 31, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered MADD's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MADD's internal control. Accordingly, we do not express an opinion on the effectiveness of MADD's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of MADD's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MADD's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MADD's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MADD's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lane Gorman Trubitt, PLLC*

Dallas, Texas  
June 30, 2014





Report of Independent Certified Public Accountants on Compliance  
with Requirements that Could Have a Direct and Material  
Effect on Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133

To the Board of Directors  
Mothers Against Drunk Driving

Report on Compliance for Each Major Federal Program

We have audited Mothers Against Drunk Driving's ("MADD") compliance with the types of compliance requirements described in the United States Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MADD's major federal programs for the year ended December 31, 2013. MADD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of MADD's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MADD's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of MADD's compliance.

Opinion on Each Major Federal Program

In our opinion, MADD complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of MADD is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered MADD's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of MADD's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MADD's internal control over compliance.

#### Report on Internal Control Over Compliance (Continued)

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of MADD as of and for the year ended December 31, 2013, and have issued our report thereon dated June 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Lane Goeman Teubitt, PLLC*

Dallas, Texas  
June 30, 2014



Mothers Against Drunk Driving  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Justice					
U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention					
Pass-Through Programs:					
<u>Juvenile Justice and Delinquency Prevention - Allocation to States</u>					
State of Texas, Office of the Governor, Criminal Justice Division	Statewide Programs Project	Texas, State Office	16.540	JA-12-J20-18480-07	\$ 66,664
Total expended under 16.540					66,664
<u>Enforcing Underage Drinking Laws Program</u>					
Children, Youth & Family Department	Enforcing the Underage Drinking Laws Block Grant	New Mexico, State Office	16.727	2010-AH-FX-0103	32,343
Minnesota Department of Public Safety, Office of Traffic Safety	2013 Enforcing Underage Drinking Laws	Minnesota, State Office	16.727	2011-AH-FX-0004	71,128
Rhode Island Department of Mental Health, Retardation and Hospitals	Enforcing Underage Drinking Laws Program	Rhode Island, State Office	16.727	RFP7138893	174,379
Total expended under 16.727					277,850
U.S. Department of Justice, Office of Victims of Crime					
Direct Award:					
<u>Crime Victim Assistance/Discretionary Grants</u>					
Office of Victims of Crime	National Field Victim Services Outreach Project	National Office	16.582	2011-VF-GX-K015	125,810
Total expended under 16.582					125,810
Pass-Through Programs:					
<u>Crime Victim Assistance (VOCA)</u>					
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	Alabama Victim Assistance Program	Alabama, State Office	16.575	11-VA-UN-009	19,038
Alabama Department of Economic and Community Affairs, LE/Traffic Safety Division	Alabama Victim Assistance Program	Alabama, State Office	16.575	12-VA-UN-008	6,032
Arkansas Department of Finance and Administration Office of Intergovernmental Services	Victims of Crime Act Assistance	Arkansas, State Office	16.575	12138-12V	34,677
Arkansas Department of Finance and Administration Office of Intergovernmental Services	Victims of Crime Act Assistance	Arkansas, State Office	16.575	13138V	9,666
Arizona Department of Public Safety	Crime Victim Assistance	Arizona, State Office	16.575	2011-301	9,520
Arizona Department of Public Safety	Crime Victim Assistance	Arizona, Pima Co.	16.575	2012-068	32,023
Arizona Department of Public Safety	Crime Victim Assistance	Arizona, Pima Co.	16.575	2012-294	24,078
Michigan Department of Community Health	Victim Assistance Service Program	Michigan, State Office	16.575	20357-16V11	192,114
Michigan Department of Community Health	Victim Assistance Service Program	Michigan, State Office	16.575	20357-17V13	55,608
Missouri State Department of Public Safety, Office of the Director	Victim Services Program	Missouri, State Office	16.575	2009-VOCA-089-SW	88,736
Missouri State Department of Public Safety, Office of the Director	Victim Services Program	Missouri, State Office	16.575	2011-VOCA-071-SW	27,173

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Justice (Continued)					
U.S. Department of Justice, Office of Victims of Crime (Continued)					
Pass-Through Programs:					
<u>Crime Victim Assistance (VOCA) (Continued)</u>					
North Carolina Governor's Crime Commission	North Carolina State Office - 2011	North Carolina, State Office	16.575	092-1-09-044-AV-337	\$ 24,498
New Mexico Crime Victims Reparation Commission	Victims of Crime Act	New Mexico, State Office	16.575	2013-VA-937	19,159
New Mexico Crime Victims Reparation Commission	Victims of Crime Act	New Mexico, State Office	16.575	2014-VA-135A	7,400
New Mexico Crime Victims Reparation Commission	Victims of Crime Act	New Mexico, State Office	16.575	2014-VA-235	13,384
New York Office of VS / State Crime Victims Board	Crime Victim Assistance	New York	16.575	C-501085	79,660
Ohio AG/Crime Victims Assistance and Prevention	Crime Victim Assistance	Ohio	16.575	2013VAGENE084	93,779
State of Ohio, Office of the Attorney General	Ohio Victim Services	Ohio	16.575	2014VAGENE084	35,851
District Attorneys Council	Statewide Victim Services	Oklahoma	16.575	2013-VOCA-MADD-110	4,290
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Montgomery Co.	16.575	2011-VF-05-22228	8,972
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Chester Co.	16.575	2011/2012-VF-05 22292	3,667
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Delaware Co.	16.575	2011/2012-VF-05 22295	11,405
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Berks Co.	16.575	2011/2012-VF-05-22298	15,900
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Butler Co.	16.575	2011-VF-05-22372	6,098
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, State Office	16.575	2011/2012-VF-05 22383	10,191
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Montgomery Co.	16.575	2013/2014-VF-05 24288	8,955
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Delaware Co.	16.575	2013/2014-VF-05 24305	6,470
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, State Office	16.575	2011/2013/2014-VF-05 24338	-
Pennsylvania Commission on Crime and Delinquency	Crime Victim Assistance	Pennsylvania, Butler Co.	16.575	2013/2014-VF-05 24418	2,567
Rhode Island Department of Public Safety	Victim Advocate	Rhode Island	16.575	12-421-VOCA	17,949
Rhode Island Department of Public Safety	Victim Advocate	Rhode Island	16.575	13-417-VOCA	8,370
South Carolina Department of Transportation, Office of Justice Programs	Victims of Crime Act	South Carolina, State Office	16.575	1V12088	20,530
South Carolina Department of Transportation, Office of Justice Programs	Victims of Crime Act	South Carolina, State Office	16.575	1V13082	16,844
South Carolina Department of Transportation, Office of Justice Programs	Victims of Crime Act	South Carolina, State Office	16.575	1V11160	2,326
Tennessee Office of Criminal Justice Programs	Victim Services	Tennessee, State Office	16.575	19098	57,211
State of Texas, Office of the Governor, Criminal Justice Division	Victims of Crime Act	Texas, State	16.575	VA-12-V30-15317-13	1,203,481
State of Texas, Office of the Governor, Criminal Justice Division	Victims of Crime Act	Texas, State	16.575	VA-13-V30-15317-14	547,910
Wisconsin Department of Justice	Crime Victim Services	Wisconsin, State Office	16.575	2011-050-16	17,976
Wisconsin Department of Justice	Crime Victim Services	Wisconsin, State Office	16.575	2012-050-17	7,125
State of Connecticut Judicial Branch Office of Victim Services	Victims of Crime Act	Connecticut	16.575	04-1101-04	107,098
State of Florida, Office of the Attorney General	2012/2013 Victims of Crime Act	Florida, Hillsborough	16.575	V12047	36,045
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, Hillsborough	16.575	V13047	10,750
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, State Office	16.575	V12102	140,516
State of Florida, Office of the Attorney General	Crime Victim Assistance	Florida, State Office	16.575	V13102	42,487

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Justice (Continued)					
U.S. Department of Justice, Office of Victims of Crime (Continued)					
Pass-Through Programs:					
<u>Crime Victim Assistance (VOCA)</u>					
County of Hawaii	Victims Services Program	Hawaii	16.575	c.003335	\$ 20,463
City and County of Honolulu	Crime Victim Assistance	Hawaii	16.575	CT-PAT-1100310	79,645
Idaho Department of Health & Welfare	Crime Victim Assistance	Idaho, State Office	16.575	VC105500	22,048
Idaho Department of Health & Welfare	Crime Victim Assistance	Idaho, State Office	16.575	VC019000	17,755
Illinois Criminal Justice	Victims of Crime Act	Illinois State	16.575	212117	50,051
Illinois Criminal Justice	Victims of Crime Act	Illinois State	16.575	213117	15,188
Kansas Office of the Governor	Victims of Crime Act	Kansas, State Office	16.575	13-VOCA-42	69,589
Kansas Office of the Governor	Victims of Crime Act	Kansas, State Office	16.575	14-VOCA-45	21,590
Kentucky Justice and Public Safety Cabinet	Victim Services Program	Kentucky, State Office	16.575	VOCA-2012-M.A.D.D.-00063	38,977
Kentucky Justice and Public Safety Cabinet	Victim Services Program	Kentucky, State Office	16.575	VOCA-2013-M.A.D.D.-00059	15,733
Louisiana Commission on Law Enforcement	Crime Victim Assistance	Louisiana, State Office	16.575	C11-8-022	60,609
Louisiana Commission on Law Enforcement	Crime Victim Assistance	Louisiana, State Office	16.575	2012-VA-04-1437	8,257
West Virginia Division of Justice and Community Service	Victims of Crime Act	WV State Office	16.575	10-VA-053	15,072
West Virginia Division of Justice and Community Service	Victims of Crime Act	WV State Office	16.575	11-VA-055	7,364
Total expended under 16.575					<u>3,529,870</u>
<u>Equitable Sharing Program</u>					
NY LI- Suffolk County	Federal Asset Forfeiture Program	New York	16.922	NA	24,988
NY LI- Suffolk County	Federal Asset Forfeiture Program	New York	16.922	NA	2,996
NY LI- Suffolk County	Suffolk County District Attorney's Forfeited Asset Sharing Program	New York	16.922	NA	15,960
Total expended under 16.922					<u>43,944</u>
Total U.S. Department of Justice					<u>\$ 4,044,138</u>
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA)					
Pass-Through Programs:					
<u>Highway Planning and Construction Cluster</u>					
<u>Highway Planning and Construction</u>					
Hawaii Department of Transportation	Power of Parents, It's Your Influence	Hawaii	20.205	FLEX 5 - MADD HAWAII	\$ 11,530
Hawaii Department of Transportation	Power of Parents, It's Your Influence	Hawaii	20.205	Flex 2013 - Project 3	19,110
Total expended under 20.205					<u>30,640</u>
Total Highway Planning and Construction Cluster					<u>\$ 30,640</u>

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) (Continued)					
Pass-Through Programs: (Continued)					
<u>Highway Safety Cluster (HSC)</u>					
<u>State and Community Highway Safety</u>					
Nebraska Office of Highway Safety, Department of Motor Vehicles	2013 Law Enforcement Awards and Recognition Even Nebraska, State Office		20.600	402-13-10-02	\$ 2,741
Nebraska Office of Highway Safety, Department of Motor Vehicles	Court Monitoring Program	Nebraska, State Office	20.600	402-14-17	27,343
Nebraska Office of Highway Safety, Department of Motor Vehicles	Court Monitoring Program	Nebraska, State Office	20.600	402-13-17	37,011
Rhode Island Department of Public Safety	Youth in Action / Power of Parents	Rhode Island, State Office	20.600	NHTSA.402.2013.MADD.1	20,482
Rhode Island Department of Transportation Office on Highway Safety	Team Spirit	Rhode Island, State Office	20.600	402-AL-13	38,950
Rhode Island Department of Transportation Office on Highway Safety	Youth Education and Influencer Program	Rhode Island, State Office	20.600	NHTSA402AL1406	-
Rhode Island Department of Transportation Office on Highway Safety	Youth Education and Influencer Program	Rhode Island, State Office	20.600	NHTSA402OP1410	750
Texas Department of Transportation	TexasTraffic Safety Program	Texas, Houston	20.600	2013-MADD-G-1YG-0055	166,731
Texas Department of Transportation	TexasTraffic Safety Program	Texas, Tyler	20.600	2013-MADD-G-1YG-0092	86,055
Washington Traffic Safety Commission	Fostering Leadership	Washington, State Office	20.600	DTNG22-09-R-00217	15,523
Arizona Governor's Office of Highway Safety	Court Monitoring Program- State Arizona	Arizona, State Office	20.600	2013-AL-014	27,902
Arizona Governor's Office of Highway Safety	Underage Drinking Prevention and DUI Court Monitor	Arizona, State Office	20.600	2014-AL-047	12,178
Total expended under 20.600					<u>435,666</u>
<u>Alcohol Impaired Driving Countermeasures Incentive Grants I</u>					
Colorado Department of Transportation	Colorado Underage Drinking Prevention Program	Colorado	20.601	13-01-11-06	29,542
State of Connecticut Department of Transportation	Power of Parents, It's your influence	Connecticut	20.601	0194-0730-AK	12,905
State of Connecticut Department of Transportation	Connecticut Youth Initiative	Connecticut	20.601	0193-0730-AK	34,017
Georgia Governor's Office of Highway Safety	Eliminate Drunk Driving	Georgia, State Office	20.601	GA-2013-542-00368	78,182
Illinois Department of Transportation	Court Monitoring Program	Illinois State	20.601	AL-13-282	167,818
Louisiana Highway Safety Commission	VIP and Court Monitoring	Louisiana, State Office	20.601	2013-10-17	81,857
Louisiana Highway Safety Commission	Impaired Driving	Louisiana, State Office	20.601	2014-10-11	38,895
Maryland Department of Transportation State Highway Administration	Power of Parents, It's Your Influence	Maryland, State Office	20.601	13-120	29,820
Maryland Department of Transportation State Highway Administration	Power of Parents, It's Your Influence	Maryland, State Office	20.601	14-001	10,278
North Carolina State Department of Transportation, Governor's Highway Safety Program	Drunk Driving and Underage Drinking Outreach	North Carolina, State Office	20.601	K8-13-02-11	132,945
North Carolina State Department of Transportation, Governor's Highway Safety Program	Drunk Driving and Underage Drinking Outreach	North Carolina, State Office	20.601	K8-14-02-08	23,608
State of Florida, Department of Transportation	Aware & Safe	Florida, State Office	20.601	K8-13-06-31 AQT57	186,838

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) (Continued)					
Pass-Through Programs: (Continued)					
<u>Highway Safety Cluster (HSC) (Continued)</u>					
<u>Alcohol Impaired Driving Countermeasures Incentive Grants I</u>					
Ohio Department of Public Safety	Court Monitoring Program in Ohio Courts	Ohio	20.601	GG-2014-25-00-00-00524-00	\$ 4,260
Tennessee, Department of Transportation, Governor's Highway Safety Office	Court Monitoring	Tennessee, State Office	20.601	K8-13-09	63,758
Tennessee, Department of Transportation, Governor's Highway Safety Office	Underage Drinking Prevention	Tennessee, State Office	20.601	K8-13-10	63,692
Texas Department of Transportation	Texas Traffic Safety Program	Texas, San Antonio	20.601	2013-MADD-G-1YG-0095	73,224
Texas Department of Transportation	Texas Traffic Safety Program	Texas State	20.601	2013-MADD-G-1YG-0091	482,394
Texas Department of Transportation	Texas Traffic Safety Program	Texas, El Paso	20.601	2013-MADD-G-1YG-0093	74,404
Rhode Island Department of Transportation Office on Highway Safety	Court Monitoring	Rhode Island, State Office	20.601	NHTSAK81407	750
Virginia Department of Motor Vehicles	Impaired Driving Safety Countermeasures	Virginia, State Office	20.601	K8-2013-53341-5056	126,756
Virginia Department of Motor Vehicles	Impaired Driving Safety Countermeasures	Virginia, State Office	20.601	K8-2014-54190-5438	27,460
Total expended under 20.601					1,743,403
Total Highway Safety Cluster (HSC)					\$ 2,179,069
<u>Alcohol Open Container Requirements</u>					
Missouri Department of Transportation, Highway Safety Division	Court Monitoring Project	Missouri, State Office	20.607	14-154-AL-068	23,421
Missouri Department of Transportation, Highway Safety Division	Court Monitoring Project	Missouri, State Office	20.607	13-154-AL-082	79,666
Mississippi Department of Public Safety	Alcohol Countermeasures	Mississippi, State Office	20.607	13-TA-581-1	83,517
Mississippi Department of Public Safety	Impaired Driving	Mississippi, State Office	20.607	14-ST-581-1	29,907
Mississippi Department of Public Safety	Alcohol Countermeasures	Mississippi, State Office	20.607	13-TA-581-2	23,806
Total expended under 20.607					240,317
<u>Minimum Penalties for Repeat Offenders for Driving While Intoxicated</u>					
California Department of Alcoholic Beverage Control	Alcohol Impaired Driving Countermeasures Incentive	California, State Office	20.608	12C-0135	529,456
California Department of Alcoholic Beverage Control	Alcohol Impaired Driving Countermeasures Incentive	California, State Office	20.608	13C-0135	100,883
Ohio Department of Public Safety	Effectively Reducing Underage Drinking and Impaired Riding	Ohio	20.608	GG-2013-25-00-00-00284-00	32,482
Total expended under 20.608					662,821

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
Year ended December 31, 2013

Federal Grantor/Pass-Through Grantor	Program Title	Recipient MADD Office	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) (Continued)					
Pass-Through Programs: (Continued)					
<u>National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants</u>					
US Department of Transportation					
National Highway Traffic Safety Administration	National Law Enforcement Outreach	National Office	20.614	DTNH22-12-H-00383/0002	\$ 20,746
US Department of Transportation					
National Highway Traffic Safety Administration	Conducting Ignition Interlock Institutes	National Office	20.614	DTNH22-12-H-00383/0001	15,739
US Department of Transportation			20.614		
National Highway Traffic Safety Administration	Court Monitoring Program	National Office		DTNH22-12-H-00383/0003	84,130
US Department of Transportation					
National Highway Traffic Safety Administration	No Refusal Workshops	National Office	20.614	DTNH22-12-H-00383-005	7,629
Total expended under 20.614					<u>128,244</u>
<u>National Priority Safety Programs</u>					
Tennessee, Department of Transportation					
Governor's Highway Safety Office	Court Monitoring	Tennessee, State Office	20.616	M5-CS-14-04	10,169
Tennessee, Department of Transportation					
Governor's Highway Safety Office	Underage Drinking Prevention	Tennessee, State Office	20.616	M5OT-14-13	15,783
Texas Department of Transportation	TexasTraffic Safety Program	Texas, Houston	20.616	2014-MADD-G-1YG-0076	34,937
Texas Department of Transportation	TexasTraffic Safety Program	Texas, San Antonio	20.616	2014-MADD-G-1YG-0075	20,995
Texas Department of Transportation	TexasTraffic Safety Program	Texas State	20.616	2014-MADD-G-1YG-0077	120,146
Texas Department of Transportation	TexasTraffic Safety Program	Texas, Tyler	20.616	2014-MADD-G-1YG-0078	23,778
Texas Department of Transportation	TexasTraffic Safety Program	Texas, El Paso	20.616	2014-MADD-G-1YG-0074	23,383
State of Florida, Department of Transportation	MADD Florida Aware & Safe	Florida, State Office	20.616	M5HVE-14-06-29 AR701	73,968
Governor's Office of Highway Safety	MADD - GA Eliminate Drunk Driving	Georgia, State Office	20.616	GA-2014-542-00299	26,052
Illinois Department of Transportation	Court Monitoring Program	Illinois State	20.616	AP-14-0211	46,040
Total expended under 20.616					<u>395,251</u>
Total U.S. Department of Transportation					<u>\$ 3,636,342</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 7,680,480</u>

See accompanying notes to schedule of expenditures of federal awards.

Mothers Against Drunk Driving  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2013

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") is a summary of MADD's federal awards activities presented on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts may differ from amounts presented in, or used in the preparation of the financial statements.

Mothers Against Drunk Driving  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2013

SUMMARY OF AUDITOR'S RESULTS

1. We have issued an unmodified opinion in our report on the financial statements.
2. No material weaknesses or significant deficiencies relating to internal control over financial reporting were reported.
3. The results of our audit disclosed no instances of noncompliance which were considered material to the financial statements.
4. We issued an unmodified opinion in our report on compliance with major programs.
5. No significant deficiencies relating to the audit of internal control over major programs were reported.
6. Audit findings that are required to be reported under OMB Circular A-133 section 510(a) are reported in this schedule.
7. The programs tested as major programs for the year ended December 31, 2013 are as follows:

Crime Victim Assistance	CFDA #16.575
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	CFDA #20.608
Highway Safety Cluster	CFDA #20.600 and #20.601
National Priority Safety Programs	CFDA #20.616
8. The dollar threshold used for distinguishing between type A and B programs was \$300,000.
9. Mothers Against Drunk Driving did qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None reported.

FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.



Mothers Against Drunk Driving  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2013

For a complete description of the prior year audit findings, please refer to the schedule of expenditures of federal awards and Reports of Independent Certified Public Accountants dated July 31, 2013 for the period ended December 31, 2012. The following schedule summarizes the status of prior audit findings:

Finding 2012-1

*Type of Finding:* Noncompliance and significant deficiency.

*Compliance Requirement:* Reporting

*Programs Affected & CFDA No.:* Crime Victim Assistance ("VOCA") – 16.575

*Current Status:* Remediated. MADD formalized procedures to ensure that procedures are in place to identify grant compliance requirements and to ensure that required documentation is maintained with the applicable requirements. Additional review procedures for grant compliance were also implemented to ensure accuracy of the reported amounts.